

A Study on Awareness of College Students Towards Investment in Stock Market

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ABSTRACT

Everyone has different attitude when they are discerning about the investment. Every individual wants to invest their money in an avenue where they get the more return. Now a days awareness towards investment is not only in traditional investment but students are investing in stock market also to have a great revenue than the traditional investment avenues. These students generally take investment decisions based on their self-perceived competence but sometimes with the help of professional advisors too. Their investment objective also differs from financial stability to additional income and so on. The present study has examined the investment awareness of college students by using a structured questionnaire on the sample size of 141 students selected from a private university in Vapi, Gujarat. The goal of this study is to explore the awareness of college students towards stock market investment in Vapi city (Gujarat). Therefore, this research was conducted on students who have invested in the stock market. For analysis Researcher has used descriptive statistics and ANOVA test for testing the hypothesis. The statistical results indicate no significant difference between educational background and investors' awareness towards the stock market. However, there were differences based on gender.

Keywords: Awareness, College students, Stock Market, Investment

1. INTRODUCTION

Saving is an important part of every person's life. Further it also plays an important role in shaping nation's economy. Every person in this world wants to invest some amount of their income in some sort of investment tools to make better returns of it, for some future goals and unpredictable problems. In this paper the main goal is to understand the Investment preferences among the young generation of India, to know whether they are moving towards investment avenues like Mutual Funds, Equity Market or they are following the same traditional pattern of investment like gold, real estate, and post office deposits which has been followed by the older age groups. One of the most things is why one should invest to beat the cost of inflation. Inflation is nothing but when the value of money drops by which it means that the money won't buy you the same amount of the goods which it used to buy. Financial Products act as an investor safety on the grounds of their risk appetite and financial status and also the risk and return from the financial product. In India the investment avenues which were traditionally being used by the investors were "Bank Deposits, Post Office Deposits, LIC Scheme, and Gold". But with the growth in finance industry of India in past few years, have changed the preference of the young generation and thus they are shifting towards investment avenues like Mutual Fund, Equity Market and Commodities. According to census the age group which has been defined for young generation is 15-30, but the age group which has been taken for this study is 21-35 because by this age many individuals start thinking

about their investments. students who have been considered for this research are the ones falling into the age group of 21-35 years.

Modern Investment Avenues:

Share Market (Shares of Company)

Mutual Fund

ETFs (Exchange Traded Fund)

Unit Linked Insurance Plans (ULIPS)

Bond / Debentures

Derivatives

Money Market

Other

2. WHAT IS INVESTMENT?

An investment can be understood as “The allocation of resources with the expectation of future returns, primarily to build wealth or generate income.” Investment includes traditional instruments like Savings and Current deposits, Fixed and Recurring deposits, Post Office deposits, National savings certificates as well as moder day investment instruments like Shares, Bonds, Debentures, ULIPs, Mutual fund which directly or indirectly invest money in share market.

3. CURRENT STATUS OF FINANCIAL LITERACY IN INDIA

Despite having a population of 1.5 billion people, about 76% of the adult population are yet to improve upon their understanding about basic financial concepts. India has the potential to be among the top financial literate country in the world as 27.6% of its people between the age group 25-44 continue participating in the financial inclusion program through financial education. This rate could expand by more than 20% in the next two decades, if the youngsters within the age group 10-19 are also provided proper financial education. This group constitute about 21.8% of India’s population. Financial abilities could lead to general economic growth and increase the standard of living. India’s work force combined with strong financial education can take the country to great levels. A financially savvy India would be a big global influence.

4. LITERATURE REVIEW

- 1. Salecha Pratham (2024)**, undergone “A Study on Students Awareness and Perception towards Investment in Mutual Fund.” The study was conducted to access the financial awareness of mutual fund investment among graduate and postgraduate students and to analyze the perception and knowledge of students about different mutual fund options and factors affecting their investment behavior. To conduct a study 110 respondents were selected and data were collected through structured questionnaires using telephonic interview. Analysis found that the knowledge of respondents about mutual funds was average. Many undergraduates are even not aware about mutual funds. Further, students prefer stock market investment more over mutual funds.
- 2. Abirami R. and Dr. Kowsalya S. (2023)**, conducted “A Study on Investment Pattern of College Students with Special Reference to Coimbatore City.” The study was aimed at identifying the factors influencing students to choose investment plan and problems faced by students while making the

investment pattern. 125 students were selected and responses were collected from respondents using structured questionnaire. Chi-square test and ANOVA were used to analyze collected data. Study result reveals that return on investment was the most important factor influencing investment decisions and low liquidity was the most significant problem faced by students while making investment.

3. **Mr. Gajanan Laxman Chauthe (2024)**, undergone “A Study on Awareness on Stock Market Investment by Student of Degree Level.” The study was conducted to find out how well informed a degree level student are about investing in the stock market and to assess the student's trading and investment habits. 40 students of graduates and undergraduate were selected to achieve the objective. Data were collected using structured questionnaire. The study result shows that notable number of students have limited awareness, confidence and interest in participating in stock market.
4. **Pratik Pravin and Dr. Parmar Shailesh J. (2023)**, conducted a study on “Exploring Attitudes of College Students towards Stock Market Investment: An Analysis of Rajkot, Gujarat (India).” The objective of the study was to explore the attitude of college students towards stock market investment in Rajkot, Gujarat. Data were collected from 169 respondents through structured questionnaires and for analysis Chi-square test, Mann-Whitney U test and Kruskal-Wallis H test were used. Study result shows that there is an association between Gender and platform used by investors for investing in stock market as well as an association between gender and performance related decisions. However, there is no significant difference between gender and investor’s attitude towards stock market.

5. RESEARCH METHODOLOGY

Statement of Problem:

The study aims to measure the awareness of college students towards investment in stock market.

Objective of study:

1. To assess the awareness of college students towards investment in stock market.
2. To know the level of agreement of students on different parameters while investing in stock market.

Research Design:

- Descriptive study is used to complete the study.

Data collection Method:

- The data required for study are collected from Primary sources.

Data Collection Tool:

- Primary Data was collected through Structured Questionnaire using personal interview method.

Sampling Size

- 141 respondents from total population were selected as a sample size.

Sampling Method

- Convenient Sampling (Non-Probability Method)

Data Analysis Method

- ANOVA was used to analyze collected data.

Research Hypothesis

1. **H₁**: There is no significant relation between Gender and Respondent’s awareness towards various parameters of investment in stock market.

2. **H₂**: There is no significant relation between Educational Profile and Respondent’s awareness towards various parameters of investment in stock market.

Limitation of the Study:

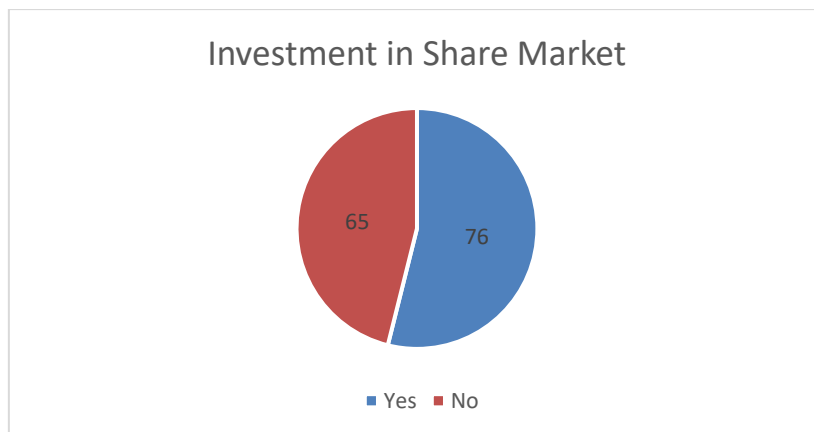
1. The study is limited to Vapi city only.
2. Respondents hesitate to provide information regarding personal questions like their Family income, investment etc.

6. DATA ANALYSIS AND TESTING OF HYPOTHESES

Q - Have you ever invested your money in share market?

Table: 1 Investment in Share market

	Frequency	Percentage
Yes	76	54%
No	65	46%
Total	141	100%

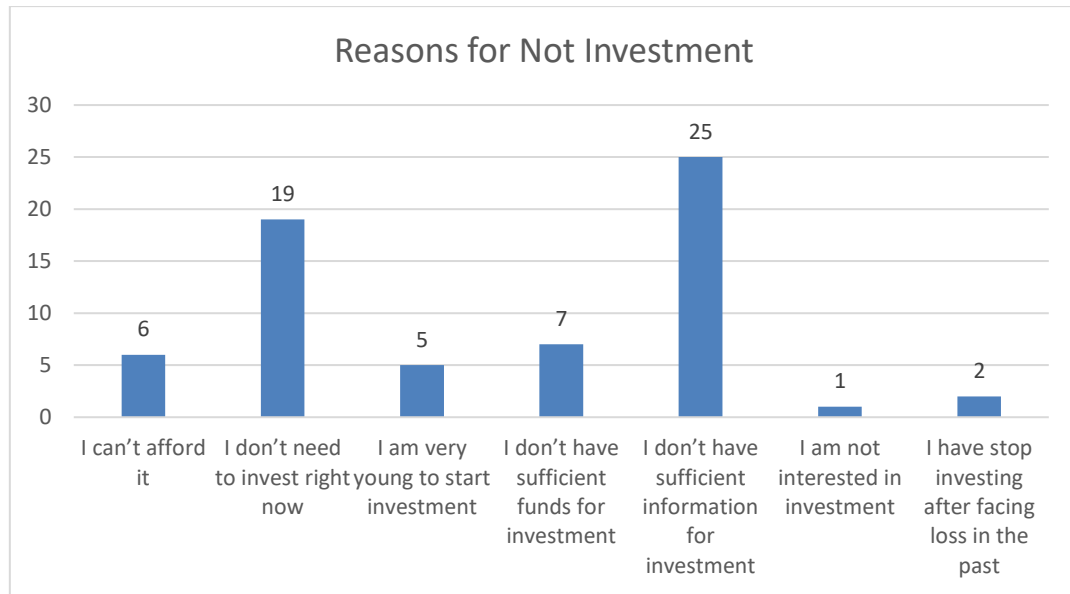


Above analysis shows that out of total 141 students only 76 i.e. 54% invest in stock market. The numbers are very less as compared to developed as well as some developing countries also.

Q – Reasons for not investing in share market

Table: 2 Reasons for not Investing in Share market

	Frequency	Percentage
I can’t afford it	6	9%
I don’t need to invest right now	19	29%
I am very young to start investment	5	8%
I don’t have sufficient funds for investment	7	11%
I don’t have sufficient information for investment	25	38%
I am not interested in investment	1	2%
I have stop investment after facing loss in the past	2	3%
Total	65	100%



Upon asking about the reason for not investing in stock market, student’s responses reveals that unavailability of sufficient information for investment is major reason followed by no need for investment.

Reliability Analysis

Scale reliability refers to the consistency and stability of result obtained from a particular instrument.

Table: 1 Reliability Analysis

Sr. No.	Name of the factor	Number of items	Cronbach's Alpha
1	Students Awareness towards investment in stock market	15	0.895

Interpretation:

Table 1 indicates that the value of Cronbach’s Alpha for Students Awareness towards Investment in Stock Market is 0.895. The variable have an internal consistency greater than 0.60, hence the study conclude that the scale is reliable for study.

ANOVA

In order to test the hypotheses formulated for the study, ANOVA was carried out on SPSS. The test statistics and results are presented as follows:

H₀: There is no significant relation between Gender and Respondent’s awareness towards various parameters of investment in stock market.

Table: 2 Relationship Between Gender and Awareness Towards Various Parameters of Investment in Stock Market

Parameter	ANOVA Value	Accepted / Rejected
I prefer to invest in large cap stocks only	0.247	H ₀ is Accepted
I prefer intraday trading	0.139	H ₀ is Accepted
I prefer to invest in small cap stocks only	0.191	H ₀ is Accepted
I prefer to invest in Future & Option	0.003	H₀ is Rejected

I prefer long term investment in stock market	0.586	H ₀ is Accepted
I prefer to invest in mid cap stocks only	0.237	H ₀ is Accepted
My college arrange educational programme related to stock market to impart knowledge	0.849	H ₀ is Accepted
I prefer to invest in mutual fund over share market	0.167	H ₀ is Accepted
My broker provides relevant information to invest in stock market	0.027	H₀ is Rejected
Investment in share market is very risky activity	0.167	H ₀ is Accepted
I prefer to select shares based on technical/fundamental analysis	0.796	H ₀ is Accepted
I discuss investment related aspects with my friends	0.778	H ₀ is Accepted
I have received inputs on basics on investment from my college	0.167	H ₀ is Accepted
Mutual funds and ULIPs insurance plans are good alternatives to invest in share market	0.038	H₀ is Rejected
Investment in share market leads to heavy financial loss	0.324	H ₀ is Accepted

(Source: Results from Primary data by SPSS, at 95% confidence level)

Interpretation:

Table 2 indicates relationship between gender of respondents and their awareness towards various parameters of investment in stock market. Study analysis shows that male and female have different awareness towards investment in future & option, information provided by broker for investment and Mutual funds & ULIPs insurance plans as a good alternative to invest in stock market.

For all the other parameters of investment in stock market, the awareness among male and female does not have any significant difference.

H₀: There is no significant relation between Educational Profile and Respondent’s awareness towards various parameters of investment in stock market.

Table: 3 Relationship Between Degree Education Profile and Awareness Towards Various Parameters of Investment in Stock Market

Parameter	ANOVA Value	Accepted / Rejected
I prefer to invest in large cap stocks only	0.526	H ₀ is Accepted
I prefer intraday trading	0.783	H ₀ is Accepted
I prefer to invest in small cap stocks only	0.795	H ₀ is Accepted
I prefer to invest in Future & Option	0.835	H ₀ is Accepted
I prefer long term investment in stock market	0.202	H ₀ is Accepted
I prefer to invest in mid cap stocks only	0.953	H ₀ is Accepted
My college arrange educational programme related to stock market to impart knowledge	0.337	H ₀ is Accepted
I prefer to invest in mutual fund over share market	0.834	H ₀ is Accepted
My broker provides relevant information to invest in stock market	0.801	H ₀ is Accepted
Investment in share market is very risky activity	0.815	H ₀ is Accepted
I prefer to select shares based on technical/fundamental analysis	0.400	H ₀ is Accepted
I discuss investment related aspects with my friends	0.897	H ₀ is Accepted
I have received inputs on basics on investment from my college	0.844	H ₀ is Accepted

Mutual funds and ULIPs insurance plans are good alternatives to invest in share market	0.785	H ₀ is Accepted
Investment in share market leads to heavy financial loss	0.662	H ₀ is Accepted

(Source: Results from Primary data by SPSS, at 95% confidence level)

Interpretation:

Table 3 indicates relationship between degree of respondents and their awareness towards various parameters of investment in stock market. Study analysis shows that student’s awareness is similar across various graduation / post-graduation degree.

7. CONCLUSION

Investors and investment are the term which are in focus now a days among youth. Savings and investment are essential part of our life. It is said that the early you start investing the early you can retire. In India, investment still have traditional concept and people tend to think Saving Account, Current Account, Fixed/Recurring deposit and traditional insurance plan whenever they think about investment. Investing in share market is not so popular in India. The same can be seen from the penetration data of demat account holders in India and in USA. according to an article published in January 2025, claims to have approx. 185 million demat accounts showing significant increase in recent past in India. However, in terms of demat account penetration India is at 12% where is USA have a penetration rate of 62%, implies that Indians are still avoiding investment in stock market due to certain beliefs and traditional mind set. In this context, proper education is required to provide to youth to encourage them to invest in share market. These will not only enhance their income level but also boost up the economic growth by channelizing their idle savings from accounts to corporates.

The study revealed that out of 135 respondents only 70 i.e. approx. 52% are only investing in stock market. A significant proportion of respondents i.e. 48% are non-investors. Further analysis reveals that unavailability of sufficient information is the major reason for not investing in stock market. Higher Educational Institutions (HEIs) should provide platform for imparting such knowledge in students by arranging seminar and awareness programmes. Such efforts will increase awareness among students and helps them to gain awareness on important parameters required for investing in stock market.

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